



State of Idaho

Legislative Services Office

Management Report

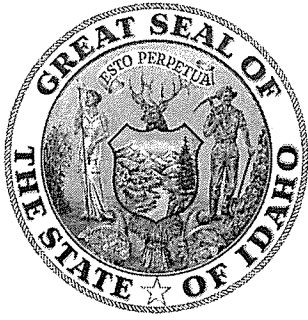
A communication to the Joint Finance-Appropriations Committee

IDAHO STATE RACING COMMISSION

FY 2006, 2007, and 2008

Report IC33208
Date Issued: July 24, 2009

Serving Idaho's Citizen Legislature



Don H. Berg, Manager

Idaho Legislative Services Office
Legislative Audits Division

IDAHO STATE RACING COMMISSION

SUMMARY

PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Idaho State Racing Commission covering the fiscal years ended June 30, 2006, 2007, and 2008. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion, but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

CONCLUSION

We did not identify any significant conditions or weaknesses in the general administrative and accounting controls of the office.

FINDINGS AND RECOMMENDATIONS

There are no findings and recommendations in this report or in the prior report.

A copy of this report is available at <http://www.legislature.idaho.gov/audit/auditsummaries.htm> or by calling 208-334-4832.

AGENCY RESPONSE

The Commission has reviewed the report and is in agreement with its contents.

FINANCIAL INFORMATION

The Commission's revenue comes from licensing fees, fines, and a percentage of the pari-mutuel handle. The Commission uses four funds in accordance with Idaho Code. Fund 0229 is used to administer its operations. Funds 481, 485, and 660 are used as holding accounts for pass-through funds to collect and distribute money to several organizations as required by Idaho Code. The following financial data is presented for informational purposes only.

IDAHO STATE RACING COMMISSION – FISCAL YEAR 2008

	<u>Operating Fund 0229</u>
Beginning Cash Balance	\$292,768
Receipts	
Licenses, Permits, and Fees	137,530
Pari-Mutuel	<u>354,004</u>
Total Receipts	<u>\$491,534</u>
Available Cash	<u>\$784,302</u>
Less Personnel Costs	\$265,920
Operating Expenses	224,801
Capital Outlay	<u>7,340</u>
Total Expenditures	<u>\$498,061</u>
Ending Cash Balance	<u><u>\$286,241</u></u>

Revenues from Les Bois Park made up approximately 42% of the Commission's revenues during fiscal years 2006 through 2008. If Les Bois Park does not reopen, the Commission will have to significantly reduce expenses or find other revenue sources.

OTHER ISSUES

We discussed other issues which, if changed, would improve internal control, compliance, and efficiency.

This report is intended solely for the information and use of the State of Idaho and the Idaho State Racing Commission and is not intended to be used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the executive director, Dennis Jackson, and his staff.

ASSIGNED STAFF

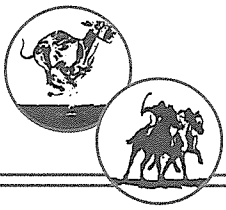
Eugene Sparks, CPA, CGFM, Managing Auditor
Shannon Thomas, Staff Auditor

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AGENCY RESPONSE



STATE OF IDAHO



RACING COMMISSION

C.L. "BUTCH" OTTER
Governor

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July 9, 2009

Eugene Sparks. CGFM, Managing Auditor
Legislative Services Office
Statehouse, P.O. Box 83720
Boise, ID 83720-0054

RE: LSO Audit Report FY 2006, 2007, and 2008

Dear Gene,

Please accept this as our agency response to the Management Report on Internal Control for the Idaho State Racing Commission for the Fiscal Years of 2006, 2007, and 2008.

Thank you for your thorough and competent audit of the Commission. The Commission appreciated the professionalism of your staff.

Sincerely,

Dennis Jackson
Executive Director

DJ/jrl

APPENDIX

HISTORY

The legislature passed the Idaho Horse Racing Act on March 5, 1963. In 1990, the Act was amended to allow pari-mutuel wagering on simulcasting into any current operating track. The Commission authorized live dog racing in Post Falls, Idaho, from August 1988 to December 1995.

STATUTORY AUTHORITY

The statutory authority for the Idaho State Racing Commission is found in Idaho Code Title 54, Chapter 25. In 1969, the Act was amended, changing the name of the Idaho Horse Racing Commission to the Idaho State Racing Commission. The amendment strengthened the Commission, giving it power to suspend or revoke licenses or levy fines for violations of the Act. The amendment also states that all hearings are subject to the Administrative Procedures Act and that "all law enforcement officers in the State shall assist in the enforcement of this Act and the rules and regulations of the Commission."

PURPOSE

The purpose of the Commission is to regulate horse racing, dog racing, and pari-mutuel betting on horses and dogs. The Commission prepares and promulgates a complete set of rules and regulations to govern race meets and pari-mutuel wagering systems. The Commission licenses individuals to participate at racing meets in order to ensure that individuals will act in the best interest of racing. The Commission also approves the calendar of racing days at each track.

ORGANIZATION

The Idaho State Racing Commission is administered by a three-member Commission appointed by the Governor and confirmed by the Senate. The members are appointed for alternating six-year terms. The Commission is under the administration of the Idaho State Police.

The Commission employs an executive director, an administrative assistant, and two clerical specialists to perform the day-to-day operations. The executive director hires stewards, veterinarians, mutuel inspectors, investigators, and licensing clerks at the live horse racing tracks to ensure an honest, efficient operation of the pari-mutuel system and compliance with racing rules and regulations.